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Kwik Trip Natural Gas – NGVTF 10/16/14

# Overview



- Kwik Trip Company and Fleet overview
- Kwik Trip Natural Gas Program
- The Retail CNG Considerations
- Market Opportunities for CNG
- Concerns as a retailer of CNG

# Kwik Trip, Inc.

- 450 C-store locations throughout WI, MN, & IA
- 14,000 co-workers; 2,000 at the Support Center
- KT owns and operates its own baker, dairy, commissary, warehousing, and Transportation and Fleet Services.
  - ▣ 80% of all goods inside store are produced or handled by Kwik Trip Operations.
- Alternative Fuels Fueling Station



# Kwik Trip Natural Gas Vehicles



# NGV Fleet Operations

- Fleet Operations consists of over 160 HD vehicles
  - ▣ 2/3 will be NGVs by calendar year end.
  - ▣ First NGV went into service in April of 2012
  - ▣ Operate all major OEMs and a mix of 9L and 12L Cummins Westport Spark ignited engines.
    - Class 8 Tractor; class 6 & 7 straight truck & yard spotter
  - ▣ Life to date NGV miles in fleet = 8,695,319
  - ▣ Diesel gallons displaced = 1,250,000
  - ▣ Total savings over diesel = \$1,500,000
- Fleet Services maintains, repairs, and installs fuel systems for NGVs

# Kwik Trip Natural Gas Program

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# Kwik Trip Retail CNG

- Currently 30 CNG Fast Fill locations
  - ▣ 2 more by calendar year end
  - ▣ 6 more budgeted for 2015
- Focused on a Functional Infrastructure first
  - ▣ Speculative builds
  - ▣ Solve the “chicken or egg” in our market
- Now work with anchor fleets to fill in network density.
- Continue to grow additional and drive new CNG business to existing stores.



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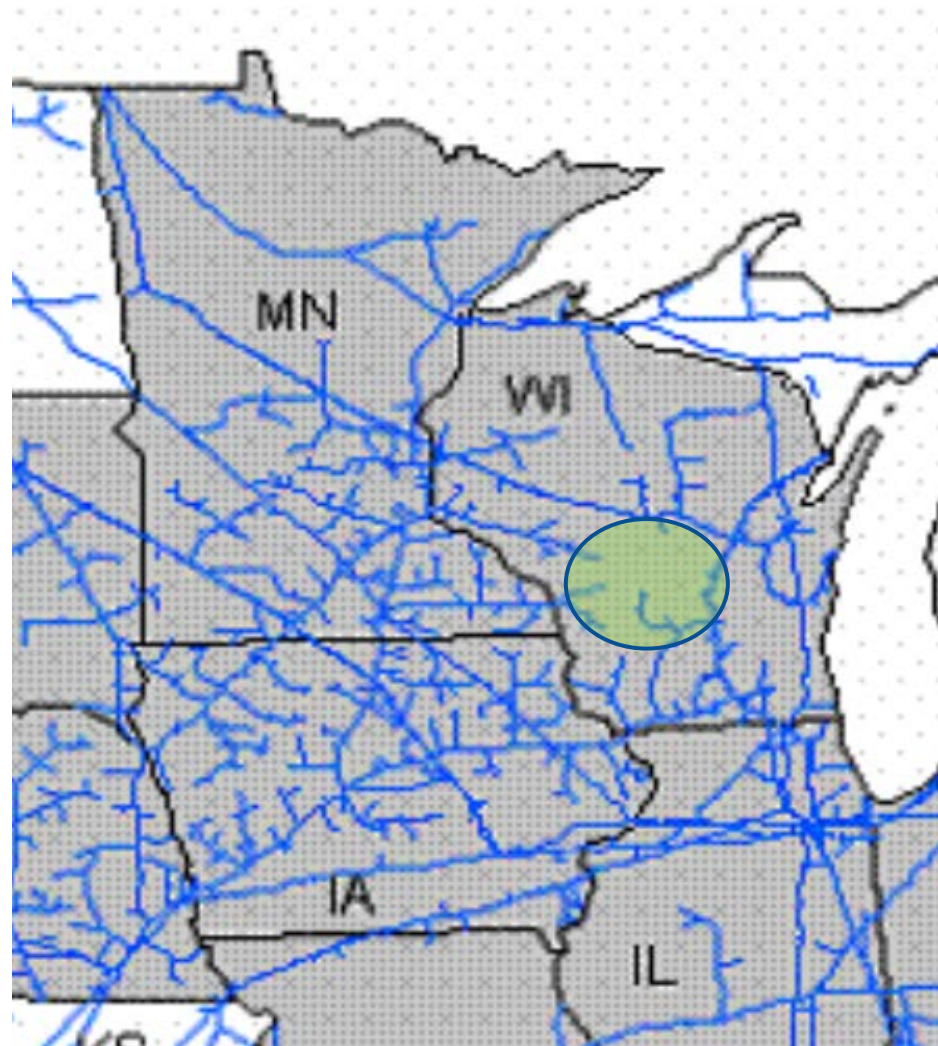
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- Current Stations
- 2014 Phase I Builds
- Markets Being Researched



# Retail CNG Considerations

- Do I have natural gas supply
  - ▣ 2 source countries
  - ▣ 3 interstate pipelines
  - ▣ 12 different utilities (each one has unique tariffs)
- Each Utility has a learning curve.
- Pay to Play



# Kwik Trip Natural Gas Retail Sites



# Retail CNG Considerations

- 2,100 sqft of containment space needed above ground for compressors & storage
  - What about the neighbors and noise?
  - \$40 – 60k for a decorative privacy fence.
- True Fast fill/high flow vs. sometimes fast fill systems
  - \$500,000 - \$2MM
- Limited service and support (self-reliance)
- Cold Weather Performance

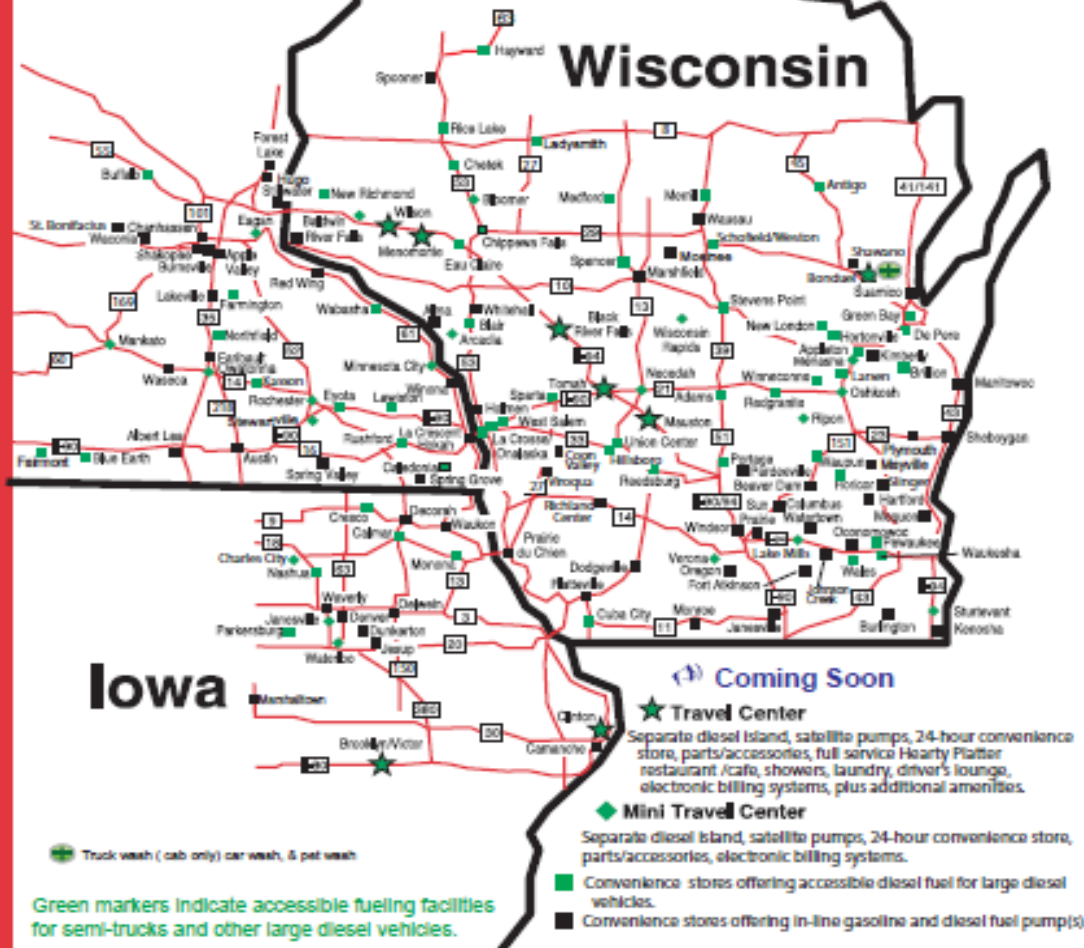


Minnesota

# Kwik Trip Diesel Locations

For more details visit our website at:  
[www.kwiktrip.com](http://www.kwiktrip.com)

Wisconsin



See the back of this sheet for a listing of all diesel store locations.

Over 100  
Tractor/Trailer  
Accessible  
Sites

# Kwik Trip Natural Gas Retail Sites





# CNG Opportunities for retailers...

- Anchor tenant vs. infrastructure (speculative)
- State or Federal incentives to build the station or for an anchor fleet to buy vehicles.
- Regionalization of fleet activity in your market?
  - ▣ Fundamental shift in the trucking industry today.
  - ▣ Dedicated fleet operations
- Opportunity Costs of a fueling position.
- Long-term commitment.



# Kwik Trip Natural Gas Fleet Experience



# At the Pump – Kwik Trip's concerns

- DGE/GGE standard (\$0.359 per Pound?)
- Effective and safe Temperature compensation
- Non-EPA approved conversion kits



# Thank You for listening

## QUESTIONS?

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